



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF ACCOUNTING

540 SOUTH DUPONT HIGHWAY
THOMAS COLLINS BUILDING (D570C), SECOND FLOOR, SUITE 3
DOVER, DELAWARE 19901

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M E M O R A N D U M

#05-11A

TO: All Department and School Fiscal Officers

FROM: Trisha L. Neely, Director

DATE: April 6, 2005

SUBJECT: FIXED ASSETS REPORTING CLARIFICATION

Accounting Memorandum #04-25, dated July 1, 2004, required all purchases of furniture, equipment and vehicles with a useful life of more than one (1) year and a cost of \$25,000 or more per item be included in the State's Fixed Asset Subsystem. Accounting Memorandum #04-25 did **not** change the requirements for entering Fixed Assets purchased on or before June 30, 2004 with a per-unit cost of \$15,000. Fixed Assets placed in the system prior to June 30, 2004, with a value equal to or greater than \$15,000 but below \$25,000 should **not** be deleted. The pre June 2004 items of \$15,000 to \$25,000 must be accounted for depreciation purposes and for reporting in the Consolidated Annual Financial Report (CAFR).

Leased assets with an in-service date prior to June 30, 2004 and an original cost equal to or greater than \$15,000 should be placed into the Fixed Asset Subsystem as well.

State organizations are required to maintain the Fixed Asset Subsystem for all land and buildings, regardless of purchase price, and all renovations (improvements) with a cost of \$100,000 or more.

The GAAP Report of Fixed Assets (report number F25F2705) will be available by April 8th. This report shows items that will be used as the basis for reporting Fixed Assets in this fiscal years CAFR. Please carefully review this report and make any necessary system adjustments to include additions, deletions and any other updates prior to the close of the fiscal year.

This year, in order to get a better handle on Construction Work in Progress (CWIP), we are requiring all organizations to report this information as of March 31, 2005. Attached are instructions including form H3A for reporting CWIP. The H3A form must be completed and returned to the Division of Accounting by **April 29, 2005**. **All** state organizations must complete form H3A even if no construction activity took place during the year.

MEMORANDUM

TO: Walter Konek
Division of Accounting

FROM: _____

DEPT: _____

SUBJECT: PROPERTY INVENTORY RECONCILIATION - FY 2005

I certify that a physical inventory has been performed and reconciled with the annual GAAP Report of Fixed Assets (F25F2705). Furthermore, the Fixed Asset Subsystem has been updated to reflect all purchases and acquisitions as well as deletions during the past fiscal year.

Signed: _____
Responsible official

Date: _____

This form is due in the Division of Accounting by **July 29, 2005**.
(FAX number 302-744-1045)